



Senate

General Assembly

File No. 250

February Session, 2002

Substitute Senate Bill No. 531

Senate, April 2, 2002

The Committee on Human Services reported through SEN. HANDLEY of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING PAYMENTS FOR MENTAL HEALTH SERVICES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 17b-239 of the general statutes, as amended by
2 sections 11 and 66 of public act 01-2 of the June special session, sections
3 1 and 2 of public act 01-3 of the June special session and sections 119,
4 120, 121 and 129 of public act 01-9 of the June special session, is
5 amended by adding subsections (h) and (i) as follows (*Effective from*
6 *passage*):

7 (NEW) (h) The commissioner shall establish a schedule of rates for
8 hospital outpatient mental health services and services provided at
9 freestanding licensed mental health and substance abuse facilities for
10 the rate period beginning July 1, 2002, and for each succeeding rate
11 period, which shall be equal to ninety per cent of the Medicare
12 physician fee schedule in effect on the first day of the rate period.

13 (NEW) (i) The commissioner shall establish a schedule of rates for
14 partial hospitalization services provided by acute care hospitals as
15 follows: (1) For the rate period beginning July 1, 2002, the rates shall be
16 equal to the rates paid as of October 1, 2001, for partial hospitalization
17 services provided in freestanding psychiatric hospitals plus an
18 inflation factor equal to the Medicare market basket inflation rate as
19 published in the previous September federal register with the wage
20 portion of such market basket adjusted for the Hartford metropolitan
21 statistical area; (2) for the rate period beginning July 1, 2003, and for
22 each succeeding rate period, the rates for partial hospitalization
23 services shall be equal to the rates for the preceding rate period, plus
24 an inflation factor equal to the Medicare market basket inflation rate as
25 published in the previous September federal register of each year with
26 the wage portion of such market basket adjusted for the Hartford
27 metropolitan statistical area.

28 Sec. 2. Subsection (b) of section 17b-263 of the general statutes is
29 repealed and the following is substituted in lieu thereof (*Effective from*
30 *passage*):

31 (b) The rate paid for hospital outpatient mental health therapy
32 services, except for partial hospitalization and other comprehensive
33 services as defined by the commissioner, shall be that established in
34 subsection [(d)] (h) of section 17b-239, as amended by this act, for an
35 outpatient clinic visit. Payment for partial hospitalization services in
36 accordance with subsection (i) of section 17b-239, as amended by this
37 act, shall be considered payment in full for all outpatient mental health
38 services.

39 Sec. 3. (NEW) (*Effective from passage*) The Commissioner of Social
40 Services shall establish a schedule of rates for outpatient mental health
41 services provided by community mental health clinics to Medicaid
42 recipients for the rate year beginning July 1, 2002, and for each
43 succeeding rate period, which shall be equal to ninety per cent of the
44 Medicare physician fee schedule in effect on the first day of the rate
45 year, as established pursuant to Section 1848 of the Social Security Act,

46 42 USC Section 1395w-4(a).

This act shall take effect as follows:	
Section 1	<i>from passage</i>
Sec. 2	<i>from passage</i>
Sec. 3	<i>from passage</i>

PH Joint Favorable Subst. C/R

HS

HS Joint Favorable

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Fund-Type	Agency Affected	Current FY \$	FY 03 \$	FY 04 \$
GF - Cost	Social Services, Dept.	-	\$8.3 million	\$8.3 million

Municipal Impact: None

Explanation

This bill makes a variety of changes to the rates paid for mental health services under the Medicaid program, administered by the Department of Social Services. These changes would result in annualized increased costs to the state of \$8.3 million. The breakout of these additional annual costs are detailed below:

Services	Current Rate	New Rate	Clients	Additional Cost
Mental Health Clinic Outpatient	\$34.80	\$88.25	41,300	\$2,207,485
Substance Abuse	\$77.57	\$88.25	68,600	\$ 732,648
Partial Hospitalization	\$91.72	\$98.00	5,400	\$ 33,912
Full Day	\$182.33	\$195.00	18,200	\$ 230,594
Mental Health Therapy	\$34.80	\$88.25	22,471	\$1,201,075
Community Mental Health	\$52.37	\$88.25	109,300	\$3,921,684
TOTAL NEW COST	\$8,327,398			

OLR Bill Analysis

sSB 531

AN ACT CONCERNING PAYMENTS FOR MENTAL HEALTH SERVICES**SUMMARY:**

Beginning July 1, 2002, this bill requires the Department of Social Services (DSS) to set its Medicaid rate schedule for hospital and community mental health clinic outpatient mental health services at 90% of the Medicare physician rate in effect when the rate period begins. It requires DSS to use the same rate schedule for services provided at freestanding licensed mental health and substance abuse facilities.

The bill changes the basis on which DSS determines Medicaid rates for hospital outpatient mental health therapy services. Currently, the fee schedule is based on the one in effect on January 1, 1995 plus an inflation factor. The bill requires DSS instead to set it at 90% of the Medicare physician rate.

The bill establishes a mechanism for DSS to determine Medicaid rates for acute care hospitals' partial hospitalization services (continuous treatment of between four and 12 hours). For the 2002-03 rate period, the rate must equal what DSS paid freestanding psychiatric hospitals for such services on October 1, 2001 plus an inflation factor based on the September 2001 Medicare inflation rate adjusted for Hartford area wages. Beginning July 1, 2003, DSS must adjust the 2002-03 rate by each previous September's Medicare inflation rate adjusted for Hartford area wages. By law, these are considered full payment for all outpatient mental health services.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Public Health Committee

Joint Favorable Substitute Change of Reference

Yea 25 Nay 0

Human Services Committee

Joint Favorable Report

Yea 18 Nay 0